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DE WTE #4022 2102315
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FM THE SITUATION ROOM//TOHAK 40//

TO BREMER/COVEY/RODMAN FOR THE SECRETARY

T O P S E C R E T SENSITIVE EXCLUSIVELY EYES ONLY CONTAINS CODEWORD

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

WM51371

TOHAK 40

JULY 30, 1975

State Dept. review completed

MEMORANDUM FOR SECRETARY KISSINGER
FROM: THE SITUATION ROOM
SUBJECT: ADDITIONAL INFORMATION ITEMS

FIRST STEPS TOWARD COALITION GOVERNMENT BEING TAKEN INH
SAIGON: THE NATIONAL LIBERATION FRONT HAS JUST CONCLUDED A
CONGRESS IN SAIGON WHICH NAMED A FRONT COMMITTEE TO RUN AF-
FAIRS IN SAIGON CITY. THE COMMITTEE INCLUDES A NUMBER OF
NONCOMMUNISTS AND WELL KNOWN LEFTISTS SUCH AS STUDENT HUYNH
TAN MAN, BONZE HUYNH LIEN, AND FORMER DEPUTY HO NGOC NHUAN.
THIS IS PROBABLY A HARBINGER OF WHAT IS TO COME ON THE NA-
TIONAL LEVEL. WE HAVE INTELLIGENCE REPORTS THAT THE COMMU-
NISTS NEXT PLAN TO ESTABLISH A "COALITION" GOVERNMENT, PERHAPS
WITHIN THE MONTH. (QUINN/STEARMAN)

MORI/CDF C02399057

25X1

FRENCH FOREIGN MINISTRY VIEWS ON RELATIONS WITH THE DRV AND
PRG: [REDACTED]

25X1

REMY TEISSIER DU CROS, CHIEF OF THE FRENCH FOREIGN
MINISTRY'S FAR EAST SECTION FOR BILATERAL ECONOMIC AND FINAN-
CIAL AGREEMENTS, SAID THAT RELATIONS BETWEEN FRANCE AND THE
DRV WERE NOW STRAINED, BECAUSE THE FRENCH CONSIDER THEMSELVES
TO HAVE BEEN OUTRAGEOUSLY DECEIVED BY HANOI'S ASSURANCES THAT
THE DRV WOULD NOT INVADE THE SOUTH. PARIS NOW REFUSES TO
GRANT HANOI NEW CREDITS UNTIL THE SITUATION IN SOUTH VIETNAM
CLARIFIES AND UNTIL HANOI OR SAIGON MAKES A PRELIMINARY AC-
KNOWLEDGMENT OF DEBTS CONTRACTED BY THE NGUYEN VAN THIEU GOV-
ERNMENT.
DU CROS SAID THAT FRENCH FOREIGN MINISTER JEAN SAUVAGNARGUES
THINKS THAT THE PRG IS KEEPING FRENCHMEN FROM LEAVING SOUTH
VIETNAM IN ORDER TO HAVE SOMETHING TO BARTER. MOST FRENCHMEN

***** WHSR COMMENT *****

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WHO APPLY FOR EXIT VISAS NEVER RECEIVE A RESPONSE. NO EXIT VISAS HAVE BEEN GRANTED TO HEADS OF FRENCH FIRMS OR THEIR SENIOR OFFICIALS. DU CROS SAID THAT CONTINGENT ON SETTLING THE QUESTION OF FRENCH CITIZENS AND THEIR POSSESSIONS IN SOUTH VIETNAM AND A PLEDGE BY THE DRV OR PRX TO HONOR DEBTS OF THE THIEU GOVERNMENT THE QUAI WAS PREPARED TO MAKE AVAILABLE TO THE PRG THE BALANCE OF CREDITS ORIGINALLY ALLOCATED TO THE THIEU GOVERNMENT OF ABOUT 70 OR 80 MILLION FRANCS. DU CROS ALSO SAID THAT THE DRV HAD LET IT BE UNDERSTOOD THAT THERE WOULD BE ONLY ONE FRENCH AMBASSADOR TO VIETNAM, WHO WOULD BE POSTED TO HANOI. IN SAIGON THERE WOULD BE A FRENCH "REPRESENTATION."

WE HAVE ADDITIONAL INFORMATION INDICATING THAT THE DRV DOES NOT INTEND TO ALLOW AMBASSADORS TO BE STATIONED IN SAIGON. THEIR PLAN SEEMS TO BE TO ALLOW SOME LOWER LEVEL OF DIPLOMATIC REPRESENTATION TO CONTINUE THE CHARADE OF SOUTHERN INDEPENDENCE. AT THE SAME TIME SUCH AN ARRANGEMENT WOULD ALLOW THEM TO CONTINUE INTERNAL UNIFICATION SINCE THEY COULD EXPLAIN TO THEIR OWN POPULATION THAT THE DIPLOMATIC OFFICES IN SAIGON ARE ONLY APPENDAGES OF THE EMBASSIES IN HANOI. (QUINN/STEARMAN)

25X1

FNLA RECRUITS FORMER PORTUGUESE ARMY COMMANDOS: [REDACTED]

25X1

THE FNLA HAS RECRUITED ABOUT TEN FORMER PORTUGUESE ARMY COMMANDO OFFICERS AND WARRANT OFFICERS TO SERVE ITS FORCES IN AN ADVISORY CAPACITY. ONE OF THE PORTUGUESE REPORTEDLY IS A COLONEL WHO ONCE SERVED AS A DEPUTY TO GENERAL SPINOLA. (HOBAN)

EC NINE MEMBERS CONSIDER ACTIONS TO COUNTER ARAB MOVES TO SUSPEND ISRAEL FROM THE UN: A JOINT STRATEGY TO DEAL WITH ARAB EFFORTS AGAINST ISRAEL IN THE UN WILL BE TAKEN UP BY WESTERN LEADERS IN PRIVATE DISCUSSIONS IN HELSINKI. THE EC NINE ARE CONCERNED BY THE ISSUE BUT HAVE NOT YET DEVELOPED AN AGREED PLAN OF ACTION. GISCARD PROPOSED, AND SCHMIDT AGREED, THAT THE ISRAEL-UN MATTER BE INCLUDED ON THE AGENDA OF THE QUADRIPARTITE LUNCHEON IN HELSINKI ON JULY 31. LONDON ALSO EXPECTS PLANNING FOR EITHER CONCERTED OR INDIVIDUAL ACTION TO BE TAKEN UP. THE CANADIAN MINISTRY OF EXTERNAL AFFAIRS HAS SUGGESTED THAT PRIME MINISTER TRUDEAU RAISE THE QUESTION AT THE SUMMIT, PRESUMABLY IN AN APPROPRIATE PRIVATE FORUM. TEL AVIV, FOR ITS PART, IS SENDING A TOP GOVERNMENT OFFICIAL TO FINLAND, REPORTEDLY TO SOUND OUT THE PARTICIPANTS REGARDING EFFORTS TO EXPEL ISRAEL FROM THE UN. THE ITALIANS, WHO ARE SERVING A SIX MONTH STINT IN THE EC PRESIDENCY, HAVE NOT YET RESPONDED TO WASHINGTON'S REQUEST THIS WEEK THAT THE EC NINE -- INDIVIDUALLY AND COLLECTIVELY -- TRY TO PERSUADE THE NONALIGNED STATES AT THEIR MEETING NEXT MONTH AGAINST ADOPTING A RESOLUTION DEMANDING ISRAEL'S OUSTER. ROME HAS NOT

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BEEN FORCEFUL IN ITS OWN EFFORTS. PRESIDENT GISCARD AND CHANCELLOR SCHMIDT AGREE THAT FORMAL DEMARCHES TO THE ARABS -- EITHER BY THE EC OR BY INDIVIDUAL MEMBERS -- WOULD BE COUNTER-PRODUCTIVE AT THIS TIME. A TOP QUAI OFFICIAL BELIEVES A WAY SHOULD BE FOUND TO ENABLE ARAB MODERATES TO CONVINCE THE MORE RADICAL GOVERNMENTS THAT THE MATTER CAN BE DROPPED WITHOUT LOSING FACE. BONN REALIZES IT COULD NOT SIMPLY ACCEPT A VOTE AGAINST ISRAEL AND THEN GO BACK TO BUSINESS AS USUAL IN THE GENERAL ASSEMBLY. PARIS WOULD CERTAINLY ALSO BE PUT ON THE SPOT BY AN ANTI-ISRAELI VOTE; FRENCH OFFICIALS, HOWEVER, SEEM MORE ANXIOUS TO COUNSEL ISRAELI CONCESSIONS IN ORDER TO DEFEAT THE ARAB CAMPAIGN. BOTH PARIS AND BONN INTEND, AS A FIRST PRIORITY, TO TRY TO OBTAIN A COMMUNITY AGREEMENT TO TAKE QUIET, BUT PERSUASIVE ACTION IN THOSE CAPITALS WHERE IT MIGHT BE MOST EFFECTIVE. BONN IS PREPARED TO TAKE UNILATERAL ACTION SHOULD THE COMMUNITY BE SLOW TO ACT. LUXEMBOURG PRIME MINISTER THORN IS ALSO PUSHING FOR A CONCERTED EC EFFORT. AS THE NEXT UN GENERAL ASSEMBLY PRESIDENT, HE WANTS TO MAINTAIN AN APPEARANCE OF OBJECTIVITY AND THIS RULES OUT BILATERAL APPROACHES TO THE ARABS AND NONALIGNED COUNTRIES. AS GENERAL ASSEMBLY PRESIDENT, HOWEVER, HE IS PREPARED TO USE HIS INFLUENCE TO OPPOSE SUSPENSION EFFORTS. THE DANISH FOREIGN MINISTER, ON THE OTHER HAND, THINKS THAT HIS GOVERNMENT WOULD UNDERTAKE INDIVIDUAL DEMARCHES WITH THIRD WORLD COUNTRIES IN ADVANCE OF THE NONALIGNED CONFERENCE.

OIL NATIONALIZATION IN VENEZUELA: THE CHAMBER OF DEPUTIES IN VENEZUELA HAS APPROVED THE BILL PROVIDING FOR NATIONALIZATION OF THE OIL INDUSTRY. THE SENATE IS EXPECTED TO BEGIN CONSIDERATION OF THE LEGISLATION LATER THIS WEEK. APPROVED WITHOUT CHANGE BY THE CHAMBER IS THE PEREZ ADMINISTRATION'S PROVISION PROVIDING FOR THE PARTICIPATION OF FOREIGN COMPANIES IN CERTAIN ASPECTS OF THE INDUSTRY. (LOW)

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